

AMENDED IN ASSEMBLY MAY 23, 2008

AMENDED IN ASSEMBLY APRIL 1, 2008

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL

No. 2176

Introduced by Assembly Member Caballero

February 20, 2008

An act to add Chapter 5.5 (commencing with Section 25450) to Division 15 of the Public Resources Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 2176, as amended, Caballero. Energy: federal block grants.

The federal Energy Independence and Security Act of 2007 (federal act) provides energy efficiency and conservation block grants to states for the purposes of reducing fossil fuel emissions, improving energy efficiency, and reducing total energy use. That act requires not less than 60% of the funds allocated to a state to be used to provide subgrants to local governments that are not eligible to receive block grants under the act. Existing law authorizes the State Energy Resources Conservation and Development Commission to apply for and accept grants.

This bill would require the commission to administer funds received by the state pursuant to the federal act and would require not less than 60% of the funds received to be used to provide subgrants to cities and counties of specified population sizes. The bill would require the remaining ~~40%~~ *funds* to be used to provide grants to entities eligible under the federal act. All grants would be prioritized based on cost-effective energy efficiency. The bill would require that no more than 10% of the funds received be expended on administrative expenses.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 5.5 (commencing with Section 25450)
2 is added to Division 15 of the Public Resources Code, to read:

3
4 CHAPTER 5.5. ENERGY EFFICIENCY AND CONSERVATION BLOCK
5 GRANTS
6

7 25450. (a) The Legislature finds and declares all of the
8 following:

9 (1) The cost of energy in California is increasing and creating
10 greater demands on local governments' operating budgets.

11 (2) The 100th Congress enacted the Energy Independence and
12 Security Act of 2007, ~~Public Law 110-140~~, 2007 (42 U.S.C. Sec.
13 17001 *et seq.*) that provides grants to eligible entities, including
14 states, to reduce fossil fuel emissions, improve energy efficiency,
15 and reduce overall energy use.

16 (3) ~~Section 545(e)(1)(A)~~ 17155(c)(1)(A) of the Energy
17 Independence and Security Act of 2007 (42 U.S.C. Sec. 17001 *et*
18 *seq.*) mandates that states receiving block grants under the act use
19 not less than 60 percent of the grant amount to provide subgrants
20 to local governments that are not eligible entities for the purposes
21 of the act.

22 (b) It is the intent of the Legislature to fully implement the
23 requirements for energy and conservation block grants provided
24 pursuant to the Energy Independence and Security Act of 2007
25 and that the funds allocated to the state pursuant to that act be
26 administered by the commission.

27 (c) It is the intent of the Legislature to strive to maximize the
28 opportunity to allocate funds toward the most cost-effective energy
29 efficiency projects, and when allocating funds toward
30 administration, the commission should use the 10-percent allowable
31 administrative expenses as a ceiling and improve efficiencies to
32 allocate less than the allowable amount.

33 25450.1. Funds allocated to and received by the state pursuant
34 to the Energy Independence and Security Act of 2007 (42 U.S.C.
35 Sec. 17001 *et seq.*) shall be administered by the commission.

1 25450.2. (a) Not less than 60 percent of the funds received
2 pursuant to Section 25450.1 shall be used to provide cost-effective
3 energy efficiency and conservation grants to cities with a
4 population of less than 35,000 and counties with a population of
5 less than 200,000, and be prioritized based on cost-effective energy
6 efficiency.

7 (b) The remaining ~~40 percent of the~~ funds received pursuant to
8 Section 25450.1 shall be used to provide cost-effective energy
9 efficiency and conservation grants to eligible entities consistent
10 with the Energy Independence and Security Act of 2007 (42 U.S.C.
11 Sec. 17001 et seq.), and be prioritized based on cost-effective
12 energy efficiency.

13 25450.3. Not more than 10 percent of the funds received
14 pursuant to Section 25450.1 shall be expended for administrative
15 expenses, including, but not limited to, the combined administration
16 program costs, indirect costs, overhead, and costs associated with
17 the Statewide Cost Allocation Plan, including those administration
18 program costs, indirect costs, and overhead costs of all other public
19 and private entities associated with the disbursement, the
20 expenditure of funds, or both *the disbursement and expenditure*.